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Serial No.: 09/488,578
Art Unit 2179
Reply to Examiner's Answer Dated: July 20, 2010

PU040186 CIP1
Customer No. 24498

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

Applicants: Robert J. Snyder et al.

Examiner: Ba Huynh

Serial No: 09/488,578

Group Art Unit: 2179

Filed: January 21, 2000

Docket: PU040186 CIP1

For: SYSTEM AND METHOD FOR REAL TIME VIDEO PRODUCTION AND
DISTRIBUTION

Mail Stop Appeal Brief - Patents
Hon. Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REPLY BRIEF

Applicants provide this Reply Brief in response to the Examiner's Answer dated July
20, 2010.

TOTAL PAGES: 19

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1. **Status of Claims**

Claims 1-35 remain pending and stand Finally Rejected.

2. **Grounds of Rejection for Review on Appeal**

Claims 1-35 stand Finally Rejected under 35 U.S.C. 102(b) based on public use or sale of the invention, prompting the instant appeal.

Regarding the grouping of the claims, claims 2-7 stand or fall with claim 1, claim 9 stands or falls with claim 8, claims 11-15 stand or fall with claim 10, claims 19-25 stand or fall with claim 18, claims 27-31 stand or fall with claim 26, and claims 33-35 stand or fall with claim 32, due to their respective dependencies. Claims 16 and 17 stand or fall by themselves.

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3. **Argument**

A. **Introduction**

The present invention relates to a system and method for automating the execution of a live or live-to-tape television show. The present application constitutes a continuation-in-part of U.S. Serial Number 09/215,161 (which issued into U.S. Patent No. 6,452,612 on September 17, 2002) filed on December 18, 1998 and incorporated by reference in the specification of the present application (present specification, pg. 1, lines 5-10).

Applicants related application (assigned U.S. Serial No. 10/121,608, also a continuation of U.S. Serial Number 09/215,161) as applied to Claims 117, 119 and 120, received an identical rejection under 35 U.S.C. § 102(b). In this related application, the Applicants submitted a comprehensive response to the 35 U.S.C. § 102(b) rejection on June 26, 2007. After a telephone interview initiated by the Examiner, Applicants made some minor amendments in a Supplemental Response dated August 21, 2007. Shortly thereafter, the examiner withdrew the 35 U.S.C. § 102(b) and Claims 117, 119 and 120 proceeded to issue into U.S. Patent No. 7,302,644 on November 27, 2007.

Although Applicants submitted such arguments during prosecution of the present application, the Examiner has refused to withdraw the rejection. Applicants respectfully assert that the issuance of the related continuation application upon the very same arguments asserted now is wholly inconsistent with the currently asserted rejection by the Examiner in the present application.

The Examiner's has based the present rejection primarily upon an improper interpretation of the declaration executed by one of the inventors Alex Holtz and filed on December 10, 2002. The declaration explains that Parkervision, the original assignee of the instant application, embodied the present invention in a software package that eventually became known as CameraManSTUDIO. The declaration discusses certain activities that took place around the time of the critical date (December 18, 1997). Applicants have provided a brief summary of such activities below.

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The declaration explains that "[a] number of critical features and functions of the invention had not yet been conceived by December 19, 1997" and that the CameraManSTUDIO product did not "work correctly within a real-time studio environment" until sometime after execution of a Beta License Agreement with Rainbow Media Group (hereinafter "Rainbow") on December 19, 1997 (Alex Holtz declaration, ¶ 16 and 17). Pursuant to this agreement, Rainbow promised to use the beta version of the CameraManSTUDIO in a real-time news show environment, provide reports back regarding the performance of the beta version, and maintain the beta version in secrecy (Alex Holtz declaration, ¶ 17). In addition, the agreement allowed Rainbow to pay the purchase price for the beta version after the beta version could produce a real-time, live news show (Alex Holtz declaration, ¶ 18).

After the execution of the agreement, installation of the first beta version did not occur until February 1998 (Alex Holtz declaration, ¶ 17). This first beta version could not produce a real-time live news show despite best efforts (Alex Holtz declaration, ¶ 17). However, "after obtaining significant feedback, on-site observation and code development" at Rainbow's studios, Parkervision added a variety of additional features and functions to the beta version of CameraManSTUDIO so it could work correctly within a real-time studio environment (Alex Holtz declaration, ¶ 17 and 18). Thus, the first public broadcast using CameraManSTUDIO did not occur until June 22, 1998 and payment for the beta version was not made by Rainbow did not occur on or about July 17, 1998 (Alex Holtz declaration, ¶ 18).

Before the entering into the beta testing agreement with Rainbow, representatives of Parkervision attended several trade shows in order to find a suitable beta tester. Applicants have provided a brief summary of the activities which took place at each trade show.

The CameraManSTUDIO made a limited appearance at the 1996 National Association of Broadcasters (hereinafter "NAB 96") first trade show. At this trade show, Parkervision personnel demonstrated the existing CameraMan product line (other than the CameraManSTUDIO). However, "[t]he only activity related to what later became CameraManSTUDIO was 'proof of concept' discussions with certain attendees about some of the broad brush aspects of the system" (Alex Holtz declaration, ¶ 2). Also, "a PC generated graphic of a sample GUI" was shown on a single computer monitor (Alex Holtz declaration, ¶ 2). The sample GUI constitutes an illustrative graphic of an exemplary GUI. Parkervision

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representatives did not provide any literature, marketing documents or other printed information at this trade show.

The CameraManSTUDIO product again made a limited appearance at the 1997 National Association of Broadcasters (hereinafter "NAB 97") held during April of 1997 (Alex Holtz declaration, ¶ 4). At this trade show, Parkervision representatives releases a marketing document containing a list of the "speculative features and functions" of the CameraManSTUDIO product (Alex Holtz declaration, ¶ 5). Although the CameraManSTUDIO product was far from complete at the time of this trade show, Parkervision provided an early prototype of the CameraManSTUDIO at this trade show (Alex Holtz declaration, ¶ 7). However, the prototype demonstrated at this trade show "did not include the vast majority of source code (more than 1 million lines) eventually written for the CameraManSTUDIO System" (Alex Holtz declaration, ¶ 7). As explained above, not until sometime after the installation of the first beta version in February of 1998 could the CameraManSTUDIO produce a real-time, live news show.

In addition to demonstrating the prototype, Parkervision offered a proposed price to the potential beta site testers at NAB 97 to determine pricing acceptability, strategy and value to the customer (Alex Holtz declaration, ¶ 9). However, after a number of attendees had asked whether they could purchase product, Parkervision told all attendees they could not purchase the product at that time (Alex Holtz declaration, ¶ 9). As explained in the declaration, Parkervision demonstrated the CameraManSTUDIO at this tradeshow not to market this product to potential purchasers, but rather to seek possible "beta" site testers for determining whether the product could operate in a real-time studio environment after development of a "beta" version of the product (Alex Holtz declaration, ¶ 8).

In June 1997, Parkervision also attended the Infocom trade show (hereinafter "Infocom 97"). At this trade show, Parkervision did not distribute any new information that it had not distributed at the NAB 97 tradeshow (Alex Holtz declaration, ¶ 10).

Parkervision also attended the Telecon trade show ("Telecon 97") held in October of 1997. At Telecon 97, Parkervision displayed a more advanced "alpha development stage" of the CameraManSTUDIO. However, like the prototype at NAB 97, this prototype could not produce a real-time, live television show (Alex Holtz declaration, ¶ 13). Only after significant development of the Transition Macro added to the software in the CameraManSTUDIO product

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could it produce a real-time, live television show. (Alex Holtz declaration, ¶ 13). As explained above, Parkervision did not make these developments until after execution of the Beta License Agreement with Rainbow and after significant testing, reporting and on-site observation. Once again, Parkervision demonstrated the CameraManSTUDIO product at tradeshow during 1997 to identify candidates willing to test a beta version of the product (Alex Holtz declaration, ¶ 13).

Parkervision did distribute a marketing document at Telecon 97 which described some of the features and functions of this prototype (Alex Holtz declaration, ¶ 13). In addition, a Parkervision advertised a proposed price to the potential beta site testers to determine pricing acceptability, strategy and value to the customer, but Parkervision told all who asked whether CameraManSTUDIO was available for purchase were told that Parkervision would not offer the product for sale at that time (Alex Holtz declaration, ¶ 15).

Between NAB 1997 and December 18, 1998, Parkervision continuously developed and exhibited various beta test versions the CameraManSTUDIO product to a number of potential beta site testers including the Rainbow Media Group (Alex Holtz declaration, ¶ 10 and 11). However, Parkervision did not offer a beta version of the CameraManSTUDIO to Rainbow (or any other potential beta site testers) until sometime after Telecon 97 (Alex Holtz declaration, ¶ 11 and 13). Moreover, these meetings involved discussions of potential pricing information for CameraManSTUDIO, but Parkervision never offered the CameraManSTUDIO for sale at these meetings.

For at least the reasons discussed below, applicants respectfully assert that the above-referenced activities and documents fail to provide the necessary evidence required to maintain an "on sale bar" rejection under 35 U.S.C. § 102(b), and further the Examiner's reliance on such is misplaced and improper.

B. Whether Claims 1-35 are Unpatentable under 35 U.S.C. § 102(b) based on Public Use or Sale of the Invention

Pursuant to 35 U.S.C. § 102(b), an applicant cannot obtain a patent for an invention in public use or placed on sale more than one year prior to the filing of an application for a patent. Although examiners often consider the "public use" and "on sale" objections set forth in 35

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U.S.C. § 102(b) together, MPEP § 2133.03 points out that they constitute separate and distinct bars to patentability that require independent consideration.

"The public use bar under 35 U.S.C. 102(b) arises where the invention is in public use before the critical date and is ready for patenting" (MPEP § 2133.03(a); *Invitrogen Corp. v. Biocrest Manufacturing L.P.*, 424 F.3d 1374, 76 USPQ2d 1741 (Fed. Cir. 2005)). In order for an invention to be considered "in public use", it must be shown that the invention was either (1) accessible to the public; or (2) was commercially exploited (MPEP § 2133.03(a); *Id.* at 1380, 76 USPQ2d at 1744). Moreover, it can be demonstrated that an invention is "ready for patenting" by showing "proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention" (MPEP § 2133.03(c)(I); *Id.* at 67, 199 S.Ct. at 311-12, 48 USPQ2d at 1647).

In *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 66-68, 119 S.Ct. 304, 311-12, 48 USPQ2d 1641, 1647 (1998), the Supreme Court enunciated a two-prong test for determining whether an invention was "on sale" within the meaning of 35 U.S.C. § 102(b). "

[T]he on-sale bar applies when two conditions are satisfied before the critical date [more than one year before the effective filing date of the U.S. application]. First, the product must be the subject of a commercial offer for sale. Second, the invention must be ready for patenting." *Id.* at 67, 119 S.Ct. at 311-12, 48 USPQ2d at 1646-47.

In clarifying the first prong, MPEP § 2133.03(b)(II) explains that "[o]nly an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under § 102(b)" (*Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041, 1048, 59 USPQ2d 1121, 1126 (Fed. Cir. 2001)). In order to show that an invention is "ready for patenting," the same guidelines apply as discussed above with respect to the public use bar.

Even if an invention is in public use or on sale more than one year prior to the date of a U.S. patent application, the applicant will not be barred from receiving a patent under 35 U.S.C. § 102(b) if the use or sale was for experimental purposes (MPEP § 2133.03(e)). "A use or sale is experimental for purposes of section 102(b) if it represents a *bona fide* effort to perfect the invention or to ascertain whether it will answer its intended purpose. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of the

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experimentation to perfect the invention" (*LaBounty Mfg. v. United States Int'l Trade Comm'n.* 958 F.2d 1066, 1071, 22 USPQ2d 1025, 1028 (Fed. Cir. 1992) (quoting *Pennwalt Corp. v. Akzona Inc.*, 740 F.2d 1573, 1581, 222 USPQ 833, 838 (Fed. Cir. 1984))).

In determining whether a use or sale was experimental, the MPEP 2133.03(e)(4) explains that following factors should be considered:

(1) the necessity for public testing, (2) the amount of control over the experiment retained by the inventor, (3) the nature of the invention, (4) the length of the test period, (5) whether payment was made, (6) whether there was a secrecy obligation, (7) whether records of the experiment were kept, (8) who conducted the experiment, ... (9) the degree of commercial exploitation during testing[,] ... (10) whether the invention reasonably requires evaluation under actual conditions of use, (11) whether testing was systematically performed, (12) whether the inventor continually monitored the invention during testing, and (13) the nature of contacts made with potential customers." *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1353, 63 USPQ2d 1769, 1780 (Fed. Cir. 2002) quoting *EZ Dock v. Schafer Sys., Inc.*, 276 F.3d 1347, 1357, 61 USPQ2d 1289, 1296 (Fed. Cir. 2002) (Linn, J., concurring). >Another critical attribute of experimentation is the "customer's awareness of the purported testing in the context of a sale." *Electromotive Div. of Gen. Motors Corp. v. Transportation Sys. Div. of Gen. Elec. Co.*, 417 F.3d 1203, 1241, 75 USPQ2d 1650, 1658 (Fed. Cir. 2005).

In addition, it has also been explained that the "[t]esting of an invention in the normal context of its technological development is generally within the realm of permitted experimental activity. Likewise, experimentation to determine utility, as that term is applied in 35 U.S.C. 101, may also constitute permissible activity" (MPEP2133.03(e)(6); See also *General Motors Corp. v. Bendix Aviation Corp.*, 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954)).

In the instant case, the parent application was filed on December 18, 1998. Thus, a rejection under 35 U.S.C. § 102(b) based on public use or sale could only be deemed proper if there was a public use or sale of the invention prior to December 18, 1997, and such use or sale was not for experimental purposes.

As discussed hereinafter, the claims 1, 8, 10, 16, 17, 18, 26 and 32 are not barred under 35 U.S.C. § 102(b) based on a public use or sale which occurred before the critical date of December 18, 1997. Accordingly, claims 1, 8, 10, 16, 17, 18, 26 and 32, and those that depend therefrom warrant allowance.

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B1. Claims 1-35

Claims 2-7 depend from independent claim 1, claim 9 depends from independent claim 8, claims 11-15 depend from independent claim 10, claims 19-25 depend from independent claim 18, claims 27-31 depend from independent claim 26, and claims 33-35 depend from independent claim 32. Thus, claims 2-7 include all the elements of claim 1, claim 9 includes all the elements of claim 8, claims 11-15 include all the elements of claim 10, claims 19-25 include all the elements of claim 18, claims 27-31 include all the elements of claim 26, and claims 33-35 include all the elements of claim 32.

Initially, prior to reproducing the arguments submitted in the Appeal Brief, Applicants will address the Examiner's comments in the Examiner's Answer.

At the outset, Applicants will address the Examiner's comment on page 10 of the Examiner's Answer. In response to the Applicants' argument that the rejection under 35 U.S.C. § 102(a) is improper because the claimed invention was not "ready for patenting", the Examiner states the following:

...The appellant further argues that, as explained in the declaration, "a number of critical features and functions of the invention had not yet been conceived by December 19, 1997", however the appellant had not unveiled what are "the number of critical features and functions" that had not been conceived. Thus the argument is insufficient to show that the limitations of the claims invention as recited were not been known and/or on sale to the public prior to 12/19/97...

In making this statement, the Examiner completely ignores the Applicants' statement on page 22 of the previously filed Appeal Brief where the Applicants point out a number of features recited in the claims which were yet to be developed, and which were pointed out in the Alex Holtz declaration. More specifically, Applicants' Appeal Brief explains:

...The declaration further lists a number of features recited in each of the independent claims of the present application which had not been developed until after the critical date including, but not limited

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to, the creation of segment files, integration of segment delimiters, and triggering an event from a teleprompter (Alex Holtz declaration, ¶ 19). In view of these statements, it is clear that the present invention was not ready for patenting prior to the critical date...

(Page 22 of the Appeal Brief filed December 17, 2009)

Applicants further point out that applicants conceived the above-identified features after the critical date are clearly set forth in the claims. Several elements in each of the independent claims include the "segment file feature". For example, claim 1 recites "at least one segment file which comprises a group of production commands that, when executed, operates to produce a segment of the show". In addition, claim 1 further recited that the segment file comprises "at least one scripted portion that includes at least one command activated during a predetermined interval in a script that undergoes scrolling for display under control of an operator", as well as "at least one non-scripted portion that include at least one command activated independent of the script". The other independent claims include the same or similar elements.

Likewise, several of the claims recite the "segment delimiter" feature which applicants conceived after the critical date. For example, independent claim 26 recites "executing commands to associate at least one segment delimiter with at least one segment file, said segment delimiter identifying a segment produced from a corresponding segment file". Moreover, dependent claims 6, 7, 14, 15, 21 and 31 also include elements which involve segment delimiters.

The Applicants did not disclose the above features to the public in any manner whatsoever. Applicants and its original assignee Parkervision did not discuss or present these features at any of the conferences mentioned above. In addition, Applicants and its original assignee Parkervision did not describe these features in the "1997 Annual Report", the "Preliminary Sales Manual", the brochures distributed at the conferences, or any other document for that matter. Certainly, Applicants and its original assignee Parkervision did not describe these features to the public in a manner "sufficiently specific to enable a person skilled in the art to practice the invention". In fact, it would have been impossible for the Applicants to disclose these features prior to the critical date since applicants did not conceive of these features until

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after the critical date as explained in the Alex Holtz declaration at ¶ 19. Therefore, Applicants maintain that the present invention was not ready for patenting until after the critical date.

On page 15 of the Examiner's Answer, the Examiner further argues that the drawings and descriptions in Exhibit A (i.e., the marketing document that was distributed at the NAB '97 conference) prove that the Applicants' invention was ready for patenting. More specifically, the Examiner argues this document inherently discloses the features relating to "at least one scripted portion that includes at least one command activated during a predetermined interval in a script that undergoes scrolling for display under control of an operator" and "at least one non-scripted portion that includes at least one command activated independent of the script". Once again, applicants disagree with the Examiner's conclusion.

As pointed out in the Alex Holtz declaration, Exhibit A did not list the features of the CameraManSTUDIO product implemented at the time of the NAB '97 conference. Rather, Exhibit A listed "speculative features and functions" of the CameraManSTUDIO product (Alex Holtz declaration, ¶ 5).

Moreover, although the Examiner contends that the "drawings and descriptions" in Exhibit A disclose the above features recited in the present claims, the description in this document, even when given its broadest interpretation, clearly fails to disclose the above features with sufficient specificity that would allow one of ordinary skill in the art to practice the claimed invention. The drawings/pictures in this document disclose absolutely nothing with respect to the above elements. In addition, although this document lists the "Transition Macro" and "CameraManSCRIPT Viewer" features, this document does not provide any description of these features which would even remotely suggest the specific elements recited in the present claims. Therefore, the Examiner's reliance on Exhibit A as disclosing the above elements remains improper, and the Applicants once again assert that the present invention was not ready for patenting until after the critical date.

In on page 15 of the Examiner's Answer, the Examiner argues that the Applicants did not respond to the Examiner's finding that the elements of "at least one scripted portion that includes at least one command activated during a predetermined interval in a script that undergoes scrolling for display under control of an operator" and "at least one non-scripted portion that

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includes at least one command activated independent of the script" are inherently disclosed by the description in Exhibit A.

In response, the Applicants addressed the Examiner's inherency finding at page 21 of the Applicants' Appeal Brief. Applicants' argument on page 21 clearly and unequivocally refutes the Examiner's finding that the above elements were inherently disclosed by Exhibit A (referred to as the "brochures distributed at NAB 97 and Telecon 97" on page 21 of the Appeal brief) and other documents. As stated in their Appeal Brief, Applicants explicitly disagree with the Examiner's finding and explains that the speculative features in Exhibit A "had not been fully developed and certainly were not ready for patenting". Therefore, the Examiner's assertion that Applicants failed to respond his inherency finding lacks foundation.

Applicants have reproduced their previous arguments from their Appeal Brief for completeness.

A rejection under 35 U.S.C. § 102(b) based upon a public use or sale lacks propriety for at least the reason that all of the Applicants' activities which took place prior to the critical date constituted experimental use for the purpose of perfecting the invention. "A use or sale is experimental for purposes of section 102(b) if it represents a *bona fide* effort to perfect the invention or to ascertain whether it will answer its intended purpose" (MPEP § 2133.03(e)). Commercial exploitation is permitted so long as it is "merely incidental to the primary purpose of the experimentation to perfect the invention" (MPEP § 2133.03(e)). As recited above, MPEP § 2133.03(e)(4) contains a list of factors which should be considered when determining whether a use or sale was for experimental purposes. Nearly all of these factors, when applied to the facts of the present case, mandate that the Applicants activities constituted experimental use for the purpose of perfecting the invention.

Factors (1), (3) and (10) require a consideration of the nature of the invention, the necessity for public testing, and whether the invention reasonably requires evaluation under actual conditions of use. In the field of software development, developers often create a beta version of a program in order to permit actual users to test a program in the environment in which it will be utilized. No purchaser would be willing to spend tens, or even hundreds, of thousands of dollars on a software package never been tested under real world conditions. Thus, the solicitation of beta testers and the execution of the aforementioned Beta License Agreement constituted a necessary part of the testing and refining process for the CameraManSTUDIO process given the nature of the invention.

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Moreover, factors (2), (8), (11) and (12) require consideration of the amount of control over the experiment, who conducted the experiments, and whether the testing was systematic and continuously monitored during the testing period. Most of the activity relevant to these factors took place after the critical date. As explained in the declaration filed by Alex Holtz, the Beta License Agreement required Rainbow to use the beta version of CameraManSTUDIO in a real-time news show environment and provide reports regarding the performance of the beta version (Alex Holtz declaration, ¶ 17). Moreover, the testing further involved on-site observation and significant code development by the Applicants (Alex Holtz declaration, ¶ 18). Given the Applicants involvement with the testing and code development, and the fact that Rainbow had a secrecy obligation, Applicants retained complete control of the experiment during the testing period.

Factor (4) considers the length of the testing period. In the present case, the testing period occurred within a reasonable time limit. Parkervision first sought potential beta testers at the NAB 97 tradeshow in April of 1997 (Alex Holtz declaration, ¶ 8). By December 19, 1997, Parkervision executed a Beta License Agreement with Rainbow (Alex Holtz declaration, ¶ 16). The CameraManSTUDIO was first tested in a live studio environment in February 1998 (Alex Holtz declaration, ¶ 20). The first public broadcast using CameraManSTUDIO took place on June 22, 1998 (Alex Holtz declaration, ¶ 18).

Factor (6) requires a consideration of a secrecy obligation. The Beta License Agreement entered into with Rainbow required Rainbow to maintain the beta version of CameraManSTUDIO in secrecy. Although Parkervision did not impose a secrecy obligation with respect to discussions with the potential beta testers at the various trade because doing such would hamper efforts to find a suitable beta tester.

Factors (5) and (9) require a consideration of any payment for the product and the degree of commercial exploitation during the testing. In the present case, the Beta License Agreement allowed Rainbow to pay the purchase price for the beta version of CameraManSTUDIO after the product could produce a real-time, live news show (Alex Holtz declaration, ¶ 18). However, execution of the Beta License Agreement did not occur until after the critical date and payment did not occur until another seven months after that (Alex Holtz declaration, ¶ 16 and 18). Besides this payment by Rainbow, Parkervision received no other payments for any version of CameraManSTUDIO during this period of time. Although some general discussion of pricing information with possible beta testers occurred as discussed above, all who inquired about the availability of the CameraManSTUDIO product received the same reply that Parkervision

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would not sell the CameraManSTUDIO product at that time (Alex Holtz declaration, ¶ 9 and 15). Any such discussions, while possibly commercial in nature, were clearly incidental to the primary purpose of experimentation.

In addition to the factors discussed above, "[a]nother critical attribute of experimentation is the 'customer's awareness of the purported testing in the context of a sale.'" (MPEP 2133.03(e)(4); *Electromotive Div. of Gen. Motors Corp. v. Transportation Sys. Div. of Gen. Elec. Co.*, 417 F.3d 1203, 1241, 75 USPQ2d 1650, 1658 (Fed. Cir. 2005)). In this case, Rainbow clearly understood that Applicants would conduct testing as evidenced by the Beta License Agreement which required Rainbow to assist such testing. Likewise, Parkervision made clear to all potential beta testers sought at the various trade shows that Parkervision solicited their involvement for the purpose of testing the CameraManSTUDIO product in a real-time environment. Any potential beta tester who had inquired about purchasing the product was told that it was not available for purchase.

Therefore, in light of the discussion provided above, objective consideration of the factors set forth in MPEP § 2133.03(e)(4) can only lead to the conclusion that the Applicants' activities prior to the critical date represent a bona fide effort to perfect the invention. Thus, any rejection based on a public use or sale is improper for at least this reason.

In addition to the discussion provided, Applicants respectfully assert that a rejection based on a public use or sale lacks foundation because the invention was not "ready for patenting" prior to the critical date. The "ready for patenting" requirement applies to both the on sale and public use bars (MPEP § 2133.03(c)(I)). An invention is "ready for patenting" by showing proof that the invention was reduced to practice before the critical date or, alternatively, by showing proof the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention prior to the critical date (MPEP § 2133.03(c)(I); *Id.* at 67, 199 S.Ct. at 311-12, 48 USPQ2d at 1647).

In the present case, the Examiner has failed to show either that applicants reduced the invention to practice before the critical date or that the applicants had prepared an enabling description of the invention prior to the critical date. However, the Examiner contends that the Preliminary Sales Manual, in conjunction with the brochures distributed at NAB 97 and Telecon 97, demonstrate that the CameraManSTUDIO was ready for patenting prior to the critical date (see page 6 of the Final Office Action mailed October 6, 2008). The Examiner asserts that the

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features listed in these documents, such as the creation of Transition Macro files, show that the CameraManSTUDIO product was ready for patenting. Applicants respectfully disagree.

While these documents may have included some feature in the prototypes on display, applicants had not fully developed many of these included features and certainly were not ready for patenting as evidenced by several statements in the declaration. For example, although the brochure distributed at Telecon 97 listed some of the features and functions of the prototype displayed at that trade show, that prototype could not produce a real-time, live television show until the Transition Macro code had undergone "significant development" (Alex Holtz declaration, ¶ 13 - 14). Thus, while the documents relied upon by the Examiner state that certain features, such as the Transition Macro feature, were included in the prototype, many of these features were not ready for patenting.

Moreover, the Examiner has completely ignored a number of other statements in the declaration which explain that the invention was not ready for patenting until after the critical date. For example, paragraph 16 of the Alex Holtz declaration explains that "[a] number of critical features and functions of the invention had not yet been conceived by December 19, 1997... [and that] the 'alpha' version of CameraManSTUDIO could not produce a real-time, live television show for newsroom applications." Likewise, paragraphs 17-18 explain that a real-time, live news show could not be produced until after "significant feedback, on-site observation and code development" had taken place as a result of the Beta License Agreement with Rainbow. The declaration further lists a number of features recited in each of the independent claims of the present application which had not been developed until after the critical date including, but not limited to, the creation of segment files, integration of segment delimiters, and triggering an event from a teleprompter (Alex Holtz declaration, ¶ 19). In view of these statements, the present invention was not ready for patenting prior to the critical date.

Given that the present invention was not ready for patenting prior to the critical date, it is not possible that the present invention was disclosed to the public or placed on sale by the Applicants prior to such date. Therefore, any rejection based on a public use or sale prior to the critical date must be improper.

In addition to the reasons set forth above, a rejection based on a public use or sale is further believed to be improper because the other requirements necessary for issuing a rejection based on the "public use" or "on sale" bars have not been satisfied.

With respect to the on sale bar, "[o]nly an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple

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acceptance (assuming consideration), constitutes an offer for sale under §102(b)" (MPEP § 2133.03(b)(II); *Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041,1048, 59 USPQ2d 1121, 1126 (Fed. Cir. 2001)). In the instant case, the Examiner states that the present invention was offered for sale at the Telecon 97 tradeshow in October of 2007. In stating such, the Examiner appears to rely on paragraph 15 of the Alex Holtz declaration which states that "an exemplary purchase price for CameraManSTUDIO was provided" at this tradeshow. However, it is respectfully asserted that the Examiner is incorrect.

As pointed out above, the present invention was yet to be fully conceived at the Telecon 97 tradeshow and therefore could not be offered for sale at such time. Moreover, merely providing an exemplary price does not rise to the level of an "offer for sale." Given that a number of attendees at the Telecon 97 inquired as to whether the CameraManSTUDIO software was available for purchase and were told that it was not for sale (Alex Holtz declaration, ¶ 15), it is clear that the exemplary price provided at the time was not an offer which the other party could make into a binding contract by simple acceptance. Therefore, there was no offer for sale at the Telecon 97 tradeshow.

The Examiner also contends that the 1997 Annual Report discloses the sale of the CameraManSTUDIO in 1996 and 1997. In stating such, the Examiner appears to rely on a statement on page 9 of the document, which states:

The Company's revenues to date consist of sales of CameraMan systems and various accessories which complement those systems. Revenues for the years ended December 31, 1997, 1996 and 1995 were \$10,799,067, \$9,195,811, and \$3,902,546, respectively.

While this statement recites the revenue generated from the CameraMan product line in the years from 1995-1997, the document does not provide any discussion regarding the sales of the specific CameraManSTUDIO product. This is because the CameraManSTUDIO product was not available for purchase until sometime in 1998 as evidenced by the last paragraph on page 9 which goes on to state (emphasis added): "[t]he Company anticipates a continued increase in revenue in 1998, primarily as a result of the introduction of its CameraManSTUDIO product during the first half of 1998." Given that the CameraManSTUDIO had not been introduced into the CameraMan product line until after 1998, there is no possible way the Examiner could be correct in stating that the 1997 Annual Report discloses the sale of the CameraManSTUDIO in 1996 and 1997.

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In light of the comments provided above, applicants respectfully assert that they did not sell or offer the claimed invention at any time prior to the critical date. Given such, any rejection based on the "on sale" bar in 35 U.S.C. § 102(b) lacks propriety.

With respect to the "public use" bar, the Examiner has also failed to show that the invention was in public use prior to the critical date. In order to show that an invention is "in public use," the examiner must show that the invention was either (1) accessible to the public; or (2) was commercially exploited (MPEP § 2133.03(a); *Id.* at 1380, 76 USPQ2d at 1744). In the present case, the Examiner asserts that "the instant claim limitations were disclosed to the public in those CameraManSTUDIO versions during the above tradeshows" and that further public disclosure was provided when the "beta version[s] of the CameraManSTUDIO were offered to the public between April 97 and December 19, 1997" (page 8 of the Final Office Action mailed October 6, 2008). Applicants respectfully disagree with the Examiner's assertion.

As explained above, the present invention was not "ready for patenting" until sometime subsequent to the critical date. Since the invention was not ready for patenting before the critical date, it logically follows that the invention could not be presented to the public or commercially exploited prior to the critical date. Therefore, neither the prototypes at the tradeshows, nor the beta versions presented to potential beta testers, disclosed the claimed invention to the public. Accordingly, applicants respectfully request that the examiner grant these statements the proper deference they deserve and that he withdraw any finding of public use.

For at least the reasons set forth above, claims 1, 8, 10, 16, 17, 18, 26 and 32 are not barred under 35 U.S.C. § 102(b) based on a public use or sale which occurred before the critical date of December 18, 1997. Moreover, all remaining claims depend from either claims 1, 8, 10, 16, 17, 18, 26 and 32, or a claim which itself is dependent from one of these claims. Accordingly, all remaining claims are not barred by 35 U.S.C. § 102(b) either. Thus, applicants request reconsideration of this rejection.

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C. Conclusion

For at least the reasons provided above, claims 1-35 were not in public use or placed on sale before the critical date. Accordingly, it is respectfully requested that the Board reverse the rejections of claims 1-35 under 35 U.S.C. § 102(b).

In the event of any non-payment or improper payment of a required fee, the Commissioner is authorized to charge **Deposit Account No. 07-0832** as required to correct the error.

Respectfully submitted,

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9/15/2010